



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

March 06, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34 March 6, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**FISCAL YEAR 2011-12
ANTELOPE VALLEY TRANSIT AUTHORITY
AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

This action is to amend and restate the Antelope Valley Transit Authority Joint Exercise of Powers Agreement to be in compliance with State law by designating the member jurisdiction whose statutory mode applies to the Antelope Valley Transit Authority, to revise provisions regarding the Executive Director's spending limit authority, and to eliminate provisions allowing for the involuntary termination of a member by the other members.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the Antelope Valley Transit Authority Amended and Restated Joint Exercise of Powers Agreement between the County of Los Angeles and the Cities of Lancaster and Palmdale, which makes revisions to the agreement naming the City of Lancaster as the statutory mode for the agency, providing the Antelope Valley Transit Authority Board of Directors the authority to adjust the spending limits of the Executive Director, providing bus stop amenities through a Memorandum of Understanding with the member jurisdictions, and eliminating the provision allowing for involuntary termination of a member by the other two members.
2. Approve and instruct the Chairman of your Board to sign the Amended and Restated Joint Exercise of Powers Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to amend and restate the enclosed Antelope Valley Transit Authority (AVTA) Joint Exercise of Powers Agreement (Agreement) to designate the City of Lancaster as AVTA's statutory mode, which will subject the AVTA to the statutory restrictions of the City of Lancaster in exercising its powers. The Agreement is also amended and restated to allow AVTA's Board of Directors to adjust the spending authority of the Executive Director; to enter into a Memorandum of Understanding (MOU) with the member jurisdictions to implement amenities, such as those at bus stops; to eliminate a provision allowing for involuntary termination of a member by the other two members; and to make additional clarifying and housekeeping changes.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Community and Municipal Services (Goal 3) by providing transit service to improve the mobility of the public.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 25, 1992, your Board authorized the Director of Public Works to enter into an agreement between the County of Los Angeles and the Cities of Lancaster and Palmdale to form a Joint Powers Authority (JPA) in accordance with California Government Code Section 6500, et seq. The JPA, known as the AVTA, was established on April 1, 1992, to provide for planning, contracting, and operating public transportation services in the Antelope Valley. The Agreement can only be amended by the legislative bodies of all three member agencies.

Government Code Section 6509 provides that JPA powers are "subject to the restrictions upon the manner of exercising the power of one of the contracting parties, which party shall be designated by the agreement." The parties to the JPA are therefore required to select one of the parties to the agreement to be the party whose "restrictions upon the manner of exercise" will apply to the JPA. This means that statutes that apply to and place requirements on the designated entity will apply to the operations of the JPA. The designated party is referred to as the statutory mode. The Agreement is currently silent as to which party is the statutory mode. The Amended and Restated Agreement designates the City of Lancaster.

In addition, since its inception in 1992, the Agreement has limited the spending limit of AVTA's Executive Director to \$5,000 and limited the Executive Director's authority to approve change orders and supplemental contract payments to 10 percent of the approved contract amount or \$25,000, whichever is less. With inflation and the growth of the transit services, these spending limits have not been adequate to provide flexible and efficient transit services. The Amended and Restated Agreement removes these spending limits from the body of the JPA Agreement and provides that they shall be stipulated in AVTA's bylaws. This will allow the AVTA Board of Directors to adjust the spending authority as needed, since changes to the bylaws are allowed by a vote of the AVTA Board.

References to involuntary termination of a member have been removed as this is a cooperative agreement among the members working together for the benefit of all the residents of the Antelope Valley.

The current agreement also provides that each member's jurisdiction be financially and operationally responsible for providing bus stop signs in its jurisdiction. The Amended and Restated Agreement removes this provision and replaces it with a provision authorizing AVTA to negotiate MOU's with member jurisdictions to address bus stops, signage, parking areas for transit vehicles, and tree trimming.

County Counsel has reviewed and approved the Agreement as to form. The AVTA Board of Directors has also voted to approve the Amended and Restated Agreement and to present it to their respective governing bodies for approval. The Agreement will be concurrently executed by the Cities of Lancaster and Palmdale.

ENVIRONMENTAL DOCUMENTATION

This action does not constitute a project and is, therefore, exempt from the requirements of the California Environmental Quality Act.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will have no impact on current services or projects administered by the Department of Public Works.

CONCLUSION

Please return one adopted copy of this letter and the five original signed Agreements to the Department of Public Works, Programs Development Division. Upon execution by the Cities of Lancaster and Palmdale, we will return a fully executed copy to you.

The Honorable Board of Supervisors

3/6/2012

Page 4

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:JTW:nc

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office

AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE
COUNTY OF LOS ANGELES, THE CITY OF PALMDALE, AND THE
CITY OF LANCASTER CREATING AN AGENCY TO BE KNOWN
AS THE ANTELOPE VALLEY TRANSIT AUTHORITY

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement"), dated for reference as of **November 22, 2011**, is entered into by the County of Los Angeles, a political subdivision of the State of California ("County"), the City of Palmdale, a municipal corporation ("Palmdale"), and the City of Lancaster, a municipal corporation ("Lancaster"). Palmdale and Lancaster are sometimes collectively referred to herein as "Cities." The Cities and the County are sometimes individually referred to herein as "Party" and collectively as "Parties."

RECITALS

1. The Parties are "public agencies" under the Joint Exercise of Powers Act ("Act") (California Government Code Section 6500 et seq.), which authorizes the joint exercise of powers common to public agencies.

2. On April 1, 1992, the Parties executed that certain agreement titled "Joint Exercise of Powers Agreement between the County of Los Angeles, the Cities of Palmdale and Lancaster Creating an Agency to be known as the Antelope Valley Transit Authority" ("Original Agreement"). The Original Agreement created the Antelope Valley Transit Authority ("Authority"), as a separate public entity, based upon the following facts and circumstances:

A. The County had been administering public transportation services in the Antelope Valley on behalf of the Cities including a local passenger bus service, a commuter bus service, and a paratransit service.

B. The Parties were jointly funding their jurisdictional shares of these transportation services through a cost-sharing agreement.

C. The Parties were empowered by law to plan, contract for, and operate public transportation services.

D. To better serve the needs of the traveling public in the Antelope Valley, the Parties jointly agreed to the formation of a governing body to coordinate the provision of various forms and modes of public transportation services.

E. By the Original Agreement, the Parties intended to jointly exercise their powers to achieve common objectives.

3. On March 19, 2002, the Parties executed that certain agreement titled "First Amendment of the Joint Exercise of Powers Agreement between the County of Los Angeles and the Cities of Palmdale and Lancaster Creating an Agency to be known as the AVTA" ("First Amendment"). The First Amendment revised in its entirety Section 2(B) of the Original Agreement relating to the composition of the Authority's Board of Directors.

4. In view of the evolution of the Authority over the past 17 years, the Parties have determined that it is desirable to amend and restate the Original Agreement (as revised by the First Amendment).

5. It is intended by the Parties that this Agreement shall be amendatory of the Original Agreement (as revised by the First Amendment) and shall not be a new or separate agreement.

NOW, THEREFORE, in consideration of the mutual benefits, promises, and agreements set forth herein, the Parties agree as follows:

SECTION 1. PURPOSE

Each of the Parties possesses the powers referred to in the above recitals. In providing for the joint exercise of such powers pursuant to the Act, this Agreement allows for the planning, contracting, and operation of public transportation services in a manner that will best meet the public transportation needs of the Antelope Valley.

SECTION 2. AUTHORITY

A. Continuation of the Authority. Pursuant to the Act and the Original Agreement, there was created in 1992 and continues to be a public entity known as the "Antelope Valley Transit Authority" ("Authority") as depicted in the organization chart included in Appendix A. The Authority is a public entity that is separate and apart from the Parties. The Authority will defend, indemnify and hold harmless each Party for liabilities arising as a result of this Agreement.

B. Board of Directors. The Authority shall be governed by a Board of Directors ("Board"). The Board shall be composed of six designated directors and three alternate directors. Except as provided in sub-paragraph (3) below, any reference in this Agreement to "the full Board" shall be deemed a reference to the six designated directors. The directors shall be appointed as follows:

- (1) The Cities shall each appoint to the Board two designated directors from their respective City Council members and one alternate director (who is not required to be a City Council member). The Supervisor on the Los Angeles County Board of Supervisors who represents some or all of the Antelope Valley shall appoint to the Board two designated directors and one alternate director. No person who receives the substance of his or her income from another transit operating agency or who receives from transit providers campaign contributions in excess of \$250 may be a director.
- (2) Each director shall serve at the pleasure of his or her appointing authority and until his or her successor has been appointed. Notwithstanding the preceding, the term of any director appointed by either City shall terminate automatically when his or her term of office on the City Council terminates for any reason.
- (3) Alternate directors may attend all Board meetings including closed sessions. In the absence of a Party's designated director at a Board meeting, the alternate director for that Party shall be counted as part of the quorum if in attendance, and may vote on all matters coming before the Board at that meeting. Otherwise,

alternate directors shall not be counted as part of the quorum at a Board meeting and may not vote on matters coming before the Board at a meeting.

- C. Resolutions. The Board may by resolution adopt bylaws, rules, regulations, policies, and procedures that are consistent with this Agreement and that provide for the conduct of its meetings and other business, its organization and internal management, and the exercise of its powers under this Agreement. Bylaws shall be adopted or amended by majority vote of the full Board.
- D. Ralph M. Brown Act. All meetings of the Board, and of any committees that may be established by the Board, shall be called, noticed, and conducted in accordance with the Ralph M. Brown Act (California Government Code Section 54950 et seq.).
- E. Agenda Packet Distribution. The agenda packet for each Board meeting shall be delivered to the City Managers of the Cities and to the Public Works Director of the County, or to such persons' designees, minimum of two weeks before the meeting. To the extent permitted by the Ralph M. Brown Act, any agenda may subsequently be amended as necessary to enable the Board to address time-sensitive matters arising after such delivery.

SECTION 3. TERM

This Agreement is effective on the date that the last signature of a Party is affixed to the execution page of this Agreement, and it shall continue in full force and effect until terminated by mutual consent, provided that all liabilities of the Authority have been satisfied and all assets of the Authority have been distributed.

SECTION 4. WITHDRAWAL OF A PARTY

- A. Notice. At the end of any fiscal year, any Party may withdraw from the Authority by notifying the Board in writing prior to January 1 of that same fiscal year.
- B. Reaffirmation. The withdrawing Party shall reaffirm its intent to withdraw from the Authority by March 1 of that fiscal year. This notification will be considered binding and irrevocable unless unanimously decided otherwise by the directors appointed by the remaining Parties.
- C. Additional Withdrawals. Upon receipt of a Party's reaffirmation to withdraw from the Authority, any remaining Party may also declare its intent to withdraw from the Authority. The deadline for each remaining Party to give written notice of withdrawal will be April 1 of that fiscal year.
- D. Responsibilities. The withdrawing Party shall continue to be responsible for its allocable share of all transit-related costs, charges, assessments, liabilities, and contingencies incurred by the Authority through the end of the fiscal year.
- E. Reserve Account. Upon the voluntary withdrawal of a Party, the Board may establish a reserve account for that Party to provide for anticipated expenses and liabilities not included in the Authority's budget that may have arisen or that may arise during the period of that Party's participation in the Authority. The amount remaining in the reserve

account will be returned to the withdrawing Party after all expense claims and liabilities against that Party have been fully satisfied.

SECTION 5. DISPOSITION OF PROPERTY AND FUNDS

- A. Authority Dissolution. Upon the Authority's dissolution, or the complete rescission or other termination of this Agreement by all Parties, the Board shall, with the approval of the governing bodies of the Parties, determine the disposition of any real or personal property, funds, and other assets remaining in the Authority after all obligations have been satisfied. Such disposition shall be conducted in a manner that provides a proportionate return to each Party based upon each Party's investment in those properties and assets. Each Party's pro rata share shall be determined in the same manner as for a withdrawing Party pursuant to paragraph (B) below.
- B. Party Withdrawal. If a Party withdraws from the Authority, and the Authority has a financial obligation to that Party, the Board, with the approval of the governing bodies of the remaining Parties, shall satisfy the withdrawing Party's pro rata share of the total assets of the Authority, less obligations, including any requirement to pay funds into a reserve account as provided in Section 4(E) above. A withdrawing Party's pro rata share is defined as the total regular or special payments, charges, and assessments made by that Party, divided by the total regular and special payments, charges, and assessments made by all Parties from the inception of the Authority to the date of the Party's withdrawal.
- C. Satisfaction of Pro Rata Share. In the event of the withdrawal of a Party, the Board shall determine whether the Authority's satisfaction of that Party's pro rata share shall be made through a transfer of property or through a payment of funds. That transfer or payment must be made within a reasonable time following a Party's withdrawal.
- D. Fair Market Value Determination. The current fair market value of Authority properties and assets shall be determined by the Board. If the withdrawing Party disputes the current fair market value of Authority properties and assets as determined by the Board, then the current fair market value of those properties and assets shall be determined by a panel of three disinterested and qualified appraisers. To this panel, one appraiser shall be appointed by the governing body of the withdrawing Party, and one appraiser shall be appointed by the governing bodies of the remaining Parties. The two appointed appraisers shall jointly select a third appraiser. The fees of each appraiser shall be shared equally by the Authority and by the withdrawing Party.

SECTION 6. POWERS AND FUNCTIONS

- A. Enumeration. The Authority shall have the powers common to the Parties as described in Section 1 above including: the power to plan, contract for, and operate local, commuter, dial-a-ride, and special event transit services that are in compliance with local, state and federal law, and that provide the most efficient service with the highest level of satisfaction to the maximum number of citizens in the Antelope Valley area, including the routes, headways, and hours of operation within an established service area as defined in Appendix B; the power to acquire such information as may be necessary or required for the installation of transportation equipment; and the power to adopt and implement such rules and regulations as may be necessary to effect the

purposes of this Agreement. The Authority is also authorized, in its own name, to perform all acts necessary or appropriate for the joint exercise of such common power for these purposes including:

- (1) To employ agents and employees, to establish salaries and benefits, and to contract for professional services.
- (2) To make and enter into contracts and leases.
- (3) To incur debts, obligations, and liabilities.
- (4) To contract for, acquire, convey, construct, manage, maintain, and operate buildings and improvements.
- (5) To acquire, by condemnation or by negotiated purchase, and to convey, real and personal property.
- (6) To own or lease equipment, establish routes and service frequencies, regulate and collect fares, approve transportation service performance standards, and otherwise control the efficiency and quality of the operation of transit services.
- (7) To apply for and execute contracts for financial assistance from local, regional, state and federal agencies and to obligate the Authority to operate the improvements, equipment, or transit system in accordance with the terms and conditions of those contracts.
- (8) To apply for and to accept contributions, grants, or loans from any public agency, and from the United States or any department, instrumentality, or agency thereof, for the purpose of operating and administering the Authority, and for financing the planning, acquisition, construction, maintenance or operation of transit facilities and services. The Authority may also accept contributions, grants, or loans from other than the above-specified sources.
- (9) To invest money that is not needed for immediate necessities, as the Board determines to be advisable, in the same manner and upon the same conditions that apply to other local agencies as specified in California Government Code Section 53601.
- (10) To purchase insurance coverage (including fidelity bonds and directors' and officers' liability coverage), to join insurance pooling programs, and to develop and maintain a self-insurance reserve.
- (11) To sue and be sued in its own name and to defend and hold harmless the Parties.
- (12) To issue bonds as specified in Section 12 below.
- (13) To perform all other acts necessary or appropriate to exercise and implement the above-specified powers and purposes of this Agreement.

- B. Manner of Exercise. The Authority's powers shall be exercised in the manner provided in the Act and, except as expressly set forth herein, subject only to such restrictions on the manner of exercising such powers as are imposed upon Lancaster in the exercise of similar powers.
- C. Restriction. Unless expressly authorized by the governing bodies of the Parties, the Authority shall have no power to either: (i) bind the Parties to any monetary obligations; or (ii) require the Parties to contribute money or services to the Authority.

SECTION 7. EXECUTIVE DIRECTOR

- A. Service. The Executive Director shall be employed or retained by, and shall serve at the pleasure of, the Board.
- B. Powers and Duties. The powers and duties of the Executive Director shall include the following:
- (1) To direct and coordinate the technical and administrative office of the Authority and to be responsible to the Board for the proper administration of all activities of the Authority.
 - (2) To appoint, assign, direct, supervise, and discipline or remove the Authority's employees in strict conformity with applicable law and the Board's employment practices and procedures.
 - (3) To supervise the planning, acquisition, construction, maintenance, and operation of the transit facilities and services of the Authority as directed by the Board.
 - (4) To supervise and direct the preparation of the annual operating and capital budgets and to be responsible for their administration following adoption by the Board.
 - (5) To formulate and present to the Board operating and financing plans for transit facilities and services.
 - (6) To execute transfers within major budget units at the direction of the Board, provided that the total expenditure amounts remain unchanged.
 - (7) To purchase or lease items, fixed assets, or services up to the amount that is the spending limit as stipulated by the bylaws.
 - (8) To approve change orders and supplemental agreements to Board-approved contracts within limits specified by the bylaws.
 - (9) At the direction of the Board, to lease buses, vans, and other transit vehicles on an "as needed" basis from public or private organizations when necessary to assure continued reliability of service.
 - (10) To establish and maintain fare collection and deposit services, and to ensure the transfer of that collected revenue to the Treasurer of the Authority.

- (11) Upon the direction of the Board, to organize and operate an ongoing transit marketing program, including free-ride events and other special promotions.
- (12) To apply for financial assistance from local, regional, state, and federal agencies and to comply with all reporting requirements of those agencies.
- (13) To attend all Board meetings and to act as the Secretary of the Board.
- (14) To represent the Authority at appropriate federal, state, and regional agency meetings.
- (15) To perform such other duties as the Board may require in carrying out the policies and directives of the Board.

SECTION 8. OFFICERS

- A. Treasurer. The Board shall appoint a Treasurer who shall be: (a) the Treasurer of one of the Parties; (b) a certified public accountant; or (c) such other officer or employee as the Board deems qualified to act as Treasurer of the Authority. The Treasurer shall perform those duties set forth in this Agreement and any other duties specified by the Board or required by the Act, for such period of time as may be specified by the Board.
- B. Controller. The Board shall appoint a Controller who shall be: (a) the Controller of one of the Parties, except, if the Treasurer is from one of the Parties, the Controller shall be from the same Party; or (b) such other officer or employee as the Board deems qualified to act as Controller of the Authority. The Controller shall perform those duties set forth in this Agreement, and any other duties specified by the Board or required by the Act, for such period of time as may be specified by the Board.
- C. Secretary. The Executive Director, or such person's designee, shall serve as the Secretary of the Board and shall be responsible for keeping the Board's minutes, resolutions and official papers.
- D. Duties. Except as precluded by the Act, the Treasurer or Controller may independently determine which of them shall undertake any particular duty specified by this Agreement.

SECTION 9. BUDGETS

- A. Fiscal Year. The fiscal year of the Authority shall be the 12-month period beginning July 1 of one year and ending June 30 of the following year. For each fiscal year, the Board shall adopt operating and capital budgets that are consistent with the funding ability of each Party's governing body and with the requirements of Proposition A guidelines, the California Transportation Development Act, the Urban Mass Transportation Administration Act of 1964, and the requirements of all other funding and regulatory agencies involved in implementing the purposes of the Authority. A majority vote of the full Board shall be required to adopt the annual operating and capital budgets.
- B. Preparation. Preliminary and final operating and capital budgets for transit services shall be prepared and submitted in accordance with the bylaws.

- C. Funding. Operating and capital funds shall be provided by the Parties in accordance with the cost and revenue allocation formulas specified in Appendix C. The Authority shall aggressively seek funding from federal, state, regional, local, and other sources based on jurisdictional match requirements and operating cost impacts. These funds shall be applied toward the Authority's operating and capital expenditures in determining the funding obligations of the Parties.
- D. Deadlock. In those circumstances where a majority vote of the full Board cannot be obtained for the adoption of the Authority's annual operating and capital budgets, the budget deadlock procedure specified in the bylaws shall be followed.
- E. Changes. Budgetary changes during a fiscal year may be approved by a majority vote of the full Board if those changes do not increase any Party's local funding contribution. If a proposed budgetary change results in an increase in any Party's local funding contribution, that change shall be subject to approval by the governing body of the Party from which additional local funding is required.

SECTION 10. LIABILITY OF THE PARTIES

The debts, obligations, and liabilities of the Authority shall not be the debts, obligations, or liabilities of the Parties, either individually or collectively. This Section applies to all debts, obligations and liabilities of the Authority including the following:

- A. Liabilities attributable to any act or omission of the Authority, or any act or omission of the Authority's officers, agents, employees, contractors, or subcontractors.
- B. The payment of wages, benefits, or other compensation to the Authority's officers, agents, employees, contractors, or subcontractors.
- C. The payment of workers' compensation or indemnity to officers, agents, or employees of the Authority for any injury or illness arising out of the performance of this Agreement.

SECTION 11. PAYMENT AND REIMBURSEMENT

- A. Authority Obligation. Upon request, the Authority shall pay or reimburse a Party for reasonable expenses incurred and payments made by that Party in connection with the administration of the Authority.
- B. Obligation of the Parties. The Parties shall be responsible for their share of operating and capital costs associated with Authority service based on the formula outlined in the attached Appendix C. Each Party is obligated to pay to the Authority, no later than July 1, October 1, January 1, and April 1 of each fiscal year, the amount due for the upcoming calendar quarter as established by the adopted operating and capital budgets for that fiscal year.

SECTION 12. BONDS

- A. Issuance. The Authority may issue bonds or other evidences of indebtedness as authorized by the Act including revenue bonds, bond anticipation notes, certificates of participation, and lease purchase agreements (collectively, "Bonds") in order to obtain

funding that may be required to finance the acquisition of real property, the construction of facilities, the acquisition of vehicles and other capital equipment, and other obligations as determined by the Board. The power of the Authority to issue Bonds shall only be exercised upon the unanimous vote of the full Board. Bonds may be issued in more than one series and shall be sold by competitive bidding or by private sale, to the extent permitted by law, and shall not constitute a debt, liability, or obligation of any Party.

- B. Consultants. The services of bond counsel, financial consultants, and other consultants and advisors may be used by the Authority in connection with the issuance and sale of Bonds. The fees and expenses of such counsel, consultants, and advisors shall be paid from the proceeds of the sale of Bonds.

SECTION 13. ACCOUNTS AND REPORTS

- A. Controller Duties. To the extent not covered by the duties assigned to a trustee appointed under any Board resolution authorizing the issuance of Bonds, the Controller of the Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles or by the provisions of any resolution authorizing the issuance of Bonds. The books and records of the Authority maintained by the trustee or the Controller shall be open to inspection at all reasonable times by representatives of the Parties and of the LACMTA. Within 180 days after the close of each fiscal year, the Controller of the Authority shall submit a written report of all financial activities for the preceding fiscal year to each Party and to the Authority, to the extent such activities are not covered by the report of any trustee.
- B. Consolidated Financial Statement. At the conclusion of each fiscal year, the Authority may hire an independent certified public accountant to work with the Controller and the Treasurer of the Authority, auditors from LACMTA, and any other agency performing audits of the Authority's funds, to prepare a consolidated financial statement of the Authority's accounts, records, and financial affairs for the preceding fiscal year. The Executive Director shall be responsible for the general oversight and coordination between the Authority's Controller and Treasurer, and all outside agencies that may be auditing the Authority's books and records.
- C. Trustee Duties. Any trustee appointed under any resolution or indenture that authorizes the issuance of Bonds shall be required to establish suitable funds, furnish financial reports, and provide appropriate accounting procedures to carry out the provisions of such resolution or indenture and this Agreement.
- D. Treasurer Duties. The Treasurer of the Authority shall assume the duties (to the extent not covered by the duties assigned to any trustee) required by the laws of the State of California, including the following duties described in California Government Code Section 6505.5:
- (1) Receive and receipt for all money of the Authority and place it in the treasury of the Treasurer so designated to the credit of the Authority.
 - (2) Be responsible upon his or her official bond for the safekeeping and disbursement of all Authority money held by him or her.

- (3) Pay any other sums due from Authority money, only upon warrants of the Controller of the Authority.
- (4) Verify and report in writing on the first day of each month of each fiscal year to the Authority, and to the Parties, the amount of money he or she holds for the Authority, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

SECTION 14. AUTHORITY FUNDS

- A. Custody. The Treasurer of the Authority shall have custody of and disburse Authority funds pursuant to procedures that are in accordance with generally accepted accounting principles.
- B. Responsible Parties. The Authority's finance officers, consisting of the Controller and the Treasurer, are hereby designated as the persons responsible for the monies of the Authority and are also designated as the persons responsible for all other property of the Authority as required by California Government Code Section 6505.1. Unless and until a different amount is established by Board resolution, the Controller shall be liable on his or her official bond in the amount of \$500,000, and the Treasurer shall be liable on his or her official bond in the amount of \$500,000.

SECTION 15. BUS STOPS, SIGNAGE, PARKING AREAS AND TREE TRIMMING

The Authority may negotiate a memorandum of understanding with each Party to address bus stops, signage, and parking areas for the Authority's transit vehicles, and tree trimming along transit routes, within the Party's jurisdiction.

SECTION 16. MISCELLANEOUS

- A. Notices. Any notices required or authorized to be given under this Agreement must be in writing and must be delivered in person or by certified or registered mail, postage prepaid, addressed to the attention of the Secretary of the Authority and to the City Clerk or County Clerk of each of the Parties at their respective addresses set forth below:

If to the Authority:

Antelope Valley Transit Authority
42210 N. 6th Street West
Lancaster, CA 93534
Attn. Authority Secretary

If to Lancaster:

City of Lancaster
44933 N. Fern Avenue
Lancaster, CA 93534
Attn. City Clerk

If to Palmdale:

City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550
Attn. City Clerk

If to the County:

County of Los Angeles
500 W. Temple Street, Room 358
Los Angeles, CA 90012
Attn. County Clerk

The Authority or any Party may designate a different address by giving notice in accordance with the provisions of this paragraph.

- B. Interpretation. This Agreement is made and will be construed and interpreted in accordance with the laws of the State of California. The section and paragraph headings contained in this Agreement are solely to facilitate ease of reference and are not intended to define, limit, or describe the scope of any provision of this Agreement. Statutory references shall be deemed to refer to the then-current statutory provisions.
- C. Consent. Whenever any consent or approval is required by this Agreement, that consent or approval may not be unreasonably withheld or delayed.
- D. Integration. This Agreement represents the entire and integrated contract between the Parties. This Agreement supersedes all prior oral or written negotiations, representations or agreements including the Original Agreement and the First Amendment. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing that is signed by the Parties and that expressly refers to this Agreement.
- E. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal or otherwise unenforceable, the validity of the remaining provisions of this Agreement will not be affected by that determination.
- F. Successors. This Agreement is binding upon and inures to the benefit of the successors of the Parties. No Party may assign any right or obligation under this Agreement without the prior written consent of the other Parties.
- G. Execution in Counterparts. This Agreement may be executed by the Parties in one or more counterparts, all of which will collectively constitute one document and agreement.
- H. Filing With Secretary of State. The Secretary of the Board is directed to file with the office of the California Secretary of State a notice of the adoption of this Agreement within 30 days after its effective date, as required by California Government Code Section 6503.5.

TO EFFECTUATE THIS AGREEMENT, each of the Parties has caused this Agreement to be executed and attested by its duly authorized officers on the date set forth below.

COUNTY OF LOS ANGELES

CITY OF PALMDALE

By: _____
Chairman, Board of Supervisors

By: _____
James C. Ledford, Jr., Mayor

Date: _____

Date: _____

ATTEST: _____
SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

ATTEST: _____
Rebecca J. Smith, City Clerk

APPROVED AS TO FORM:

By: _____
Deputy

By: _____
Wm. Matthew Ditzhazy, City Attorney

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By: Julia Weston
Deputy

CITY OF LANCASTER

By: _____
R. Rex Parris, Mayor

Date: _____

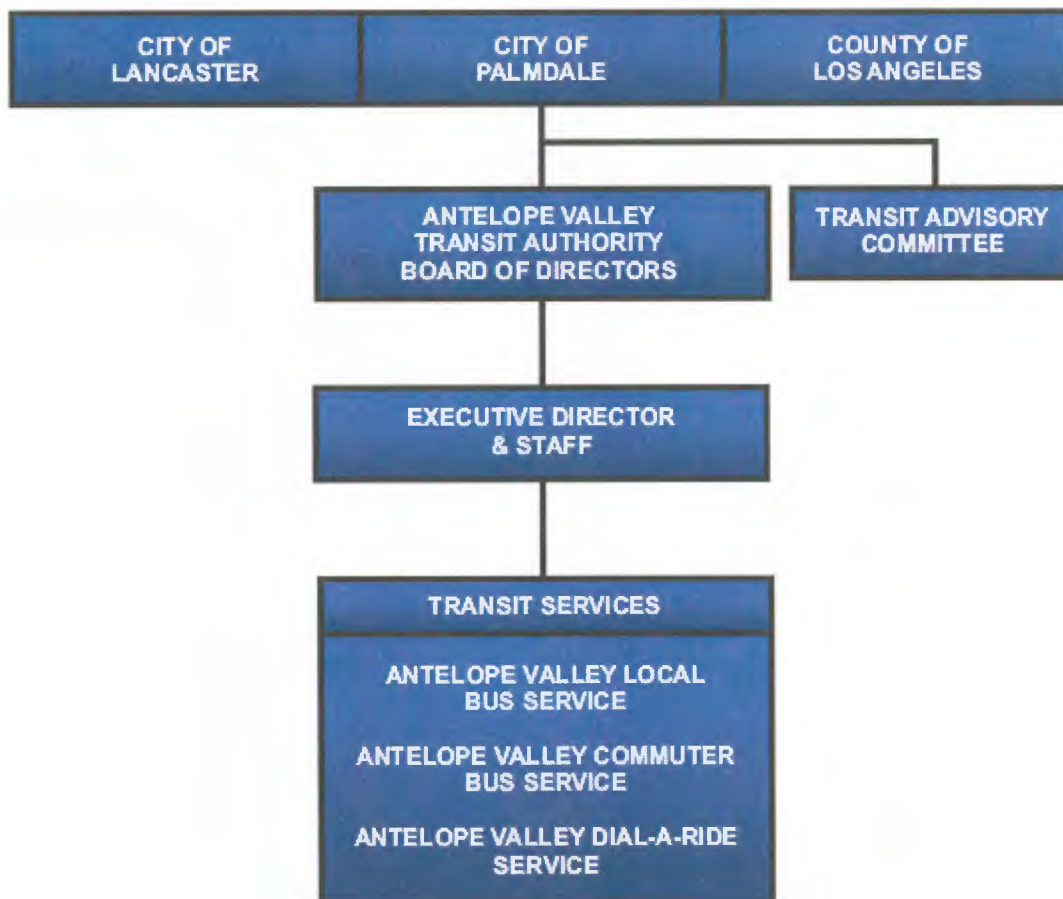
ATTEST: _____
Geri K. Bryan, City Clerk

APPROVED AS TO FORM:

By: _____
David R. McEwen, City Attorney

APPENDIX A

ANTELOPE VALLEY TRANSIT AUTHORITY ORGANIZATION CHART

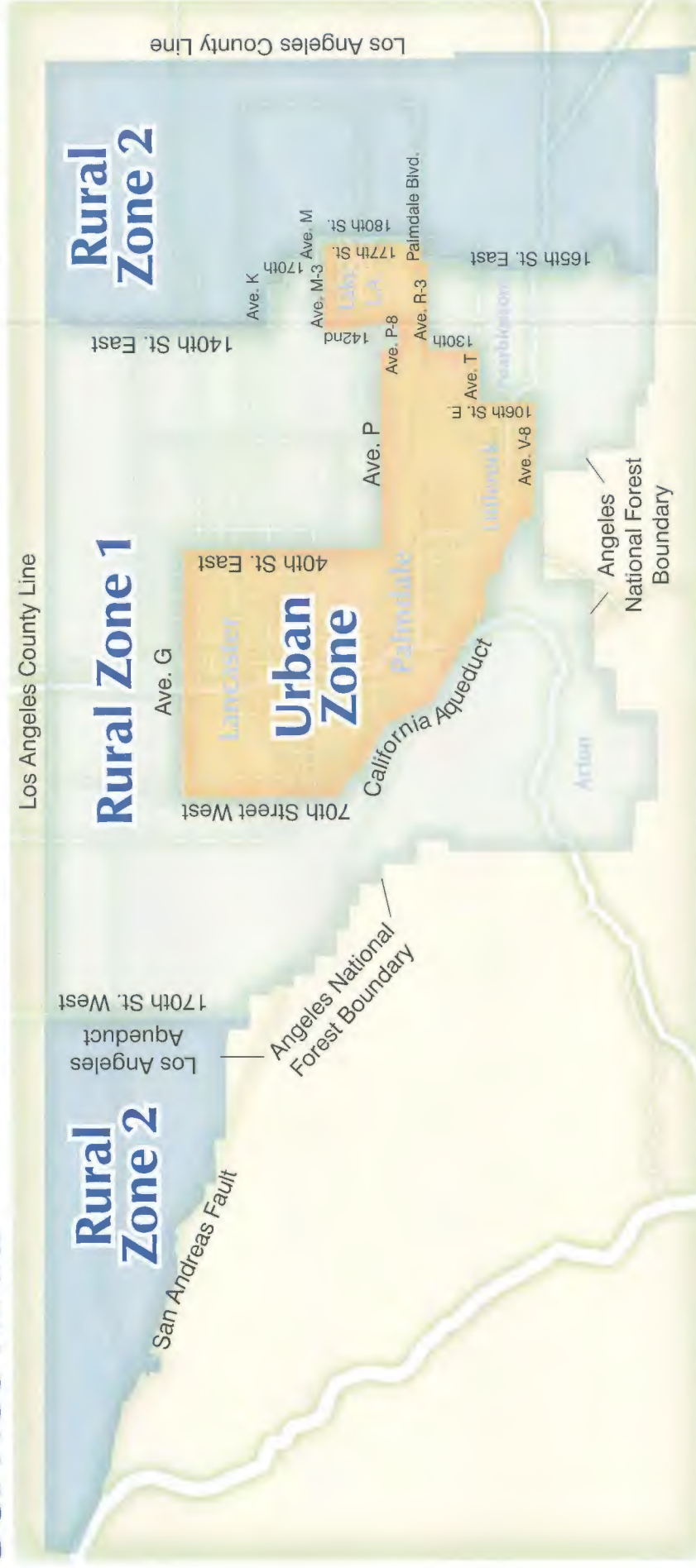


APPENDIX B

ANTELOPE VALLEY TRANSIT AUTHORITY
SERVICE AREA MAP

MAP ATTACHED

APPENDIX B



APPENDIX C

ANTELOPE VALLEY TRANSIT AUTHORITY COST ALLOCATION FORMULA

Commuter Bus Service

The capital and operational cost of the service will be allocated to each jurisdiction based on the percent ridership of each jurisdiction.

Local Fixed-Route Service

The capital and operational cost of the service will be allocated to each jurisdiction based on the percent revenue miles operated in each jurisdiction.

Paratransit and General Public Dial-A-Ride Service

The capital and operational cost of the service will be allocated to each jurisdiction based on the percent ridership of each jurisdiction.

Facilities

Capital and operational costs for operating facilities will be allocated based on the weighted average of the above service costs for each jurisdictional share.

Administration and Other

The administration and other costs provided to the Authority will be allocated based on the weighted average of the above service costs for each jurisdiction share.

Special Event Transportation Service

Jurisdictions requesting special event transportation service utilizing Authority-owned vehicles will pay the Authority an applicable per mile depreciation cost as well as the contractor's operational costs.